



Policy #:	87
Title:	Adjustment for Uninsured Patients Policy
Department:	Revenue Cycle Services
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Section:	Revenue Cycle Policy
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ADJUSTMENT FOR UNINSURED PATIENTS POLICY

I. PURPOSE

As part of our mission to improve the health of its patients and community through innovation and excellence in care, education, research and service, Indiana University Health (“IU Health”) values charity, equality, and justice in healthcare. As such, Indiana University Health is committed to serving the healthcare needs of all of its patients, including Uninsured Patients, regardless of their ability to pay for such services. In order to ensure transparency, consistency and fairness towards Uninsured Patients, this policy sets guidelines for providing a financial adjustment to any Uninsured Patient who obtains Medically-Necessary or Emergency Services from Indiana University Health. This policy ensures Indiana University Health’s compliance with the Patient Protection and Affordable Care Act, enacted March 23, 2010, Internal Revenue Code section 501 (r). This requires tax-exempt hospitals to limit amounts charged to uninsured patients for emergency and other medically necessary care to no more than those amounts generally charged to insured patients.

II. SCOPE

This policy applies to charges for uninsured patients and includes scheduled, unscheduled, and Emergency Services defined as Medically-Necessary provided by Indiana University Health Facilities, as defined below. Cosmetic and non-Medically-Necessary elective procedures are excluded.

III. EXCEPTIONS

Any exceptions to this policy must be approved in writing by the Financial Assistance Committee. No exception will be made that would permit Indiana University Health to bill an Uninsured Patient for gross charges incurred in connection with Medically-Necessary or Emergency Services.

IV. DEFINITIONS

- a. **Emergency Services** – an emergency accident, meaning a sudden external event resulting in bodily injury, or an emergency illness, meaning the sudden onset of acute symptoms of such severity that the absence of immediate attention may result in serious medical consequences.
- b. **Facility** – includes the following Indiana University Health hospitals and Indiana University Health affiliated surgery centers. This includes: Methodist Hospital, Indiana University Hospital, Riley Hospital for Children, Indiana University Health West, Indiana University Health North, Indiana University Health Arnett, Indiana University Health Ball Memorial and Indiana University Health Blackford Community Hospitals. The Indiana University Health surgery centers are: Eagle Highlands Surgery Center, Beltway Surgery Center, Springmill Surgical, Springmill Endoscopy, Indiana Endoscopy Center, Senate Street Surgery Center, Ball Outpatient Surgery Center, ROC Surgery Center and all other locations identified by Revenue Cycle Services.
- c. **Financial Assistance Committee** – a committee appointed by the Indiana University Health Chief Financial Officer that meets routinely with the task of determining exceptions, and making account approvals under the Financial Assistance Policy and this Adjustment for Uninsured Patients policy.
- d. **Financial Assistance Policy** – policy in accordance with which Indiana University Health provides financial relief to eligible patients.
- e. **Medically-Necessary Services** - inpatient or outpatient health care services provided for the purpose of evaluation, diagnosis and/or treatment of an injury, illness, disease or its symptoms, which otherwise left untreated, would pose a threat to the patient’s ongoing health status.
Services must:
 - Be clinically appropriate and within generally accepted medical practice standards; and
 - Represent the most appropriate and cost effective supply, device or service that can be safely provided and readily available at a Indiana University Health facility, with a primary purpose other than patient or provider’s convenience.
- f. **Uninsured Adjustment** – the reduction in usual and customary charges billed for Medically-Necessary or Emergency Services provided to Uninsured Patients.
- g. **Uninsured Patient** – a Indiana University Health patient who at the time services are provided, has no insurance coverage for, or right to, the payment of care, whether through employer-based insurance, government sponsored coverage or third-party liability coverage.

V. POLICY STATEMENTS

- a. Indiana University Health will not refuse, delay or discourage the provision of Medically-Necessary or Emergency Services based on a patient’s ability to pay for the cost of such services.
- b. Indiana University Health assists Uninsured Patients by providing an Uninsured Adjustment based on the average rate of the three best negotiated Managed Care rates as calculated on an annual basis.

- c. The Uninsured Adjustment applies to charges for Medically-Necessary hospital and emergency room services provided to Uninsured Patients by Indiana University Health. The adjusted amount for 2011 will be 40% of gross charges.
- d. Indiana University Health will actively promote patients' awareness of the availability of an Uninsured Adjustment.
- e. If paying the remaining balance of the Indiana University Health medical bill creates a financial hardship, Uninsured Patients will be referred to the Financial Assistance Policy.
- f. Provision of or eligibility for the Uninsured Adjustment has no bearing or impact on a patient's ability to apply or qualify for assistance under the Financial Assistance Policy.

VI. PROCEDURES

- A. Indiana University Health will identify Uninsured Patients during registration and/or admissions processes.
- B. Indiana University Health Revenue Cycle Services department will automatically apply the Uninsured Adjustment to facility account balances at the time of billing. This adjustment will reduce the Uninsured Patient's balance and shall be visible on the initial statement issued for the services.
- C. If, at any time, Indiana University Health Revenue Cycle Services becomes aware that a previously identified Uninsured Patient was, in fact, covered by billable insurance at the time of service, it will revoke the Uninsured adjustment and issue a revised statement to the patient.
- D. Indiana University Health will clearly and completely describe the availability of the Uninsured Adjustment on its website, in admission packets, with patient bills, and during other relevant points of contact, including when asked about such a discount by an Uninsured Patient.